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SUBJECT: COMMERCIAL ADVOCACY IN IRAQ - THE TIME IS NOW

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Sensitive but Unclassified. Please handle accordingly.

11. (U) The following is a personal message from Charge d'Affaires Patricia A. Butenis.

12. (SBU) Our partnership and engagement with Iraq is about to hit another milestone with the release of the 2009 Country Commercial Guide (CCG) for Iraq. This first post-conflict CCG for Iraq captures and represents the rapid evolution of Iraq's commercial and economic outlook from the depths of widespread violence to a picture of growth and diversification. Serious hurdles will continue to confront American investors and businesspeople here, and the CCG is careful to highlight these, but opportunities exist and our companies must be well-positioned to compete in this market.

13. (SBU) As the guide will attest, Iraq, despite the many real challenges it still faces, has the potential to be one of the world's leading mid-size markets. Iraq is in need of all manner of goods and services, and the competition to American suppliers is not standing idly by. Foreign business delegations are venturing beyond the friendly confines of the KRG, as Baghdad, Najaf, and Basra increase their share of the visitors.

14. (SBU) In early February, President Sarkozy of France led a business-focused visit to Baghdad, announcing not only the expansion of the French diplomatic mission here, but also the impending visit of a delegation of French companies to Iraq. He was careful to point out that they would be seeking opportunities "not just in the areas of security and defense." A German business delegation led by high-level political officials will soon be in country, and the UK is planning for a large Iraq trade show in April. This is not to mention aggressive manufacturers and suppliers from the neighborhood, currently being led by Turkey and the UAE.

15. (SBU) The time is now for the USG to redouble its efforts to build links for American companies here and craft the underpinnings of a strong interagency advocacy effort on their behalf. Opportunities for structured engagement with Iraqi decision makers on economic and business matters are growing. We will take advantage of the working groups formed under our Strategic Framework Agreement to press for business-friendly policies and facilitate access for American companies, and will continue our multifaceted outreach to regional investment officials, legislators, and business groups. The establishment of the American Business Council-Iraq as the U.S. Chamber of Commerce-sanctioned AmCham provides us with an important new partner to improve both the business climate overall and the opportunities for specific U.S. commercial projects. DPM Barham Salih is pushing for a large U.S. business delegation to visit Iraq in the near term and the U.S. Chamber is prepared to assist

(reftel). We must work to facilitate these exchanges.

¶6. (SBU) Building trade and investment links is critical to our long-term objectives in Iraq: diversifying and growing the economy, and broadening the linkages between our two countries. Despite the challenges, significant opportunities exist for American companies to prosper in Iraq. As the new Administration reviews its priorities for Iraq, and as we continue with steps to "normalize" this mission, I strongly urge that we devote sufficient resources to business promotion, expanding our FCS presence on the ground and ensuring that we are able to adequately meet our goals.

QBUTENIS